

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

SEP 27 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Amendment of the Commission's	)	
Rules and Policies to Increase	)	CC Docket No. 95-115
Subscribership and Usage of the	)	
Public Switched Network	)	

DOCKET FILE COPY ORIGINAL

COMMENTS

The National Exchange Carrier Association, Inc.<sup>1</sup> (NECA) files these Comments in response to the Commission's July 20, 1995 Notice of Proposed Rulemaking in the above-captioned matter.<sup>2</sup>

In this proceeding, the Commission offers specific proposals to increase subscribership. The Commission requests comment on those proposals, as well as on barriers to and measurements of subscribership, and consumer awareness issues.

---

<sup>1</sup> NECA is a not-for-profit membership association serving over 1400 local exchange carrier (EC) study areas. NECA members include all local exchange carriers in the United States, Puerto Rico, Micronesia, and the U. S. Virgin Islands. NECA is responsible, under Subpart G of Part 69 of the Commission's rules, for activities including the preparation of access charge tariffs on behalf of all telephone companies that do not file separate tariffs, collection and distribution of access charge revenues, the administration of the Universal Service and Lifeline Assistance programs, and the administration of the interstate Telecommunications Relay Service fund. See 47 C.F.R. § 69.603 and § 64.604.

<sup>2</sup> Amendment of the Commission's Rules and Policies to Increase Subscribership and Usage of the Public Switched Network, CC Docket No. 95-115, Notice of Proposed Rulemaking, 60 Fed. Reg. 44296 (August 25, 1995) (NPRM).

No. of Copies rec'd 0+4  
List A B C D E

NECA fills a major function in assisting the Commission to attain its universal service goals as the administrator for the current Universal Service Fund (USF), and the Lifeline Assistance (LA) programs (Link Up and Subscriber Line Charge (SLC) Waivers). NECA also administers the Telecommunications Relay Services (TRS) fund for the provision of telephone service to those with speech and hearing impairments, successfully extending universal service to include this heretofore underserved segment of the population.<sup>3</sup> NECA has participated in Commission, Joint Board and NTIA proceedings related to universal service issues, and assists those efforts by sharing both its data and expertise.

NECA supports the goal of encouraging innovative approaches to increasing telephone subscribership, and seeks to assist the Commission in its efforts. NECA agrees with the Commission's observation that current policies "have met with significant success"<sup>4</sup> and shares the Commission objective to "enhance subscribership levels in a cost effective manner."<sup>5</sup> It is NECA's view that any future programs attempting to increase subscribership should complement existing programs. The ninety-four percent penetration level attained under current programs is an accomplishment that should not be placed at risk by unnecessarily changing current rules.

Current universal service programs include measures targeted at helping low income subscribers pay for installation of new telephone service (Link Up) and continue to pay the recurring

---

<sup>3</sup> An indicator of the TRS program's success is that TRS interstate minutes of use reported to NECA have grown an average of 1.5 percent per month since the fund's inception in 1993.

<sup>4</sup> Id. at ¶ 1.

<sup>5</sup> Id. at ¶ 6.

charges for telephone service (SLC waivers).<sup>6</sup> Current programs also contain measures that seek to assure that telephone service will in fact be available in territories that are costly to serve (USF). These current mechanisms play a major role in assuring extensive network subscribership, and work together to provide subscribers not only with the resources to get onto the network (Link Up and SLC), but also with a network to which they can subscribe (USF).<sup>7</sup>

The NPRM notes that some geographic areas and some demographic groups are below the national penetration average, and cites statistics showing “only half of rural American Indian households has telephone service”<sup>8</sup> A recent report issued by the Congressional Office of Technology Assessment (OTA)<sup>9</sup> also directs attention to the rural Native American condition as a cause for concern.

The OTA Report identifies the Native American community as being at risk for decreased telephone subscribership levels without universal service programs. The report states that Native Americans have the lowest penetration rate of any ethnic group, and notes “[m]any rural Native

---

<sup>6</sup> In 1994, the Lifeline Connection Assistance (LCA) and SLC waiver programs benefitted 839K and 4.4M subscribers, respectively. Local companies received \$18.5M in reimbursement for LCA and \$123M for SLC waivers. See Monitoring Report, prepared by the Federal-State Joint Board in CC Docket No. 80-286, May 1995 (CC Docket No. 87-339).

<sup>7</sup> Additionally, there must be service parity between urban and rural areas. That is, when services become available in low-cost, high-density areas, there should not be a significant delay in introduction of comparable services in high cost, rural areas

<sup>8</sup> NPRM at ¶ 1

<sup>9</sup> U. S. Congress, Office of Technology Assessment, Telecommunications Technology and Native Americans: Opportunities and Challenges, OTA-ITC-621 (Washington, DC: U.S. Government Printing Office, August 1995) (OTA Report).

Americans would be further disadvantaged if the USF were weakened or discontinued.”<sup>10</sup> OTA also warns that without the USF support to keep local rates affordable, “[g]iven the already depressed incomes on many Indian reservations and in most Alaska Native villages, this would further impede realization of even basic telephone service for many Native Americans.”<sup>11</sup>

Thanks, in part, to the availability of federal universal service programs, the situation for Native Americans and all rural subscribers has improved substantially in recent years. There is still much work to be done, however. NECA believes that the Commission should continue to focus its effort on maintaining and enhancing interstate cost recovery systems. Reductions in federal cost recovery programs could jeopardize the progress that has already been made.

Subscribership issues are the subject of increasing interest among state regulators. A report issued last year by the National Association of Regulatory Utility Commissioners (NARUC) shows, for example, that many states have already implemented regulations governing the subscribership-related proposals such as toll-blocking and non-payment disconnect procedures contained in this NPRM.<sup>12</sup> The Commission should continue to show leadership in this important area, but should not take action that would interfere with state initiatives

---

<sup>10</sup> *Id.* at p. 12. OTA notes that federal policy has provided subsidies to low-density, high-cost areas from revenues generated in high-profit areas since 1934 “thereby improving rural access. Many rural tribes and villages clearly have a continuing need for universal service fund (USF) cross-subsidies, both directly to Native-owned and -operated telecommunications companies and indirectly to other rural telephone cooperatives and companies that service tribal or village areas.” *Id.* (Emphasis in original.)

<sup>11</sup> *Id.* at p. 116.

<sup>12</sup> NARUC Compilation of Utility Regulatory Policy 1993-1994, section 24, Local Exchange Telephone Company Billing Practices, table 130, shows that the vast majority of states already have regulations in place governing disconnects. (See Attachment A.)

Current universal service programs have been developed through the cooperative efforts of state and federal regulators and the industry. The formal Joint Board process was responsible for the design of the current USF program and the Joint Board assisted in developing the Lifeline Assistance programs. Proposed legislation envisions continuing Joint Board involvement in the near future.<sup>13</sup> NECA believes the Commission's further efforts to improve subscribership will also be best accomplished by working cooperatively with national telephone associations and with Joint Board participation by NARUC and state commissions.<sup>14</sup> NECA urges the Commission to continue to recognize the fact that the significant universal service accomplishments that have been attained are the result of coordinated, complementary programs, developed and implemented cooperatively.

Respectfully submitted,

NATIONAL EXCHANGE CARRIER  
ASSOCIATION, INC.

By 

Richard A. Askoff  
100 South Jefferson Road  
Whippany, New Jersey 07981

Its Attorney

September 27, 1995

---

<sup>13</sup> See S. 652, 104th Cong. 1st Sess. (1995) and H.R. 1555, 104th Cong., 1st Sess. (1995).

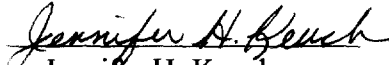
<sup>14</sup> The National Telephone Cooperative Association (NTCA), the National Rural Telephone Association (NRTA), the Organization for the Preservation and Advancement of Small Telephone Companies (OPASTCO), and the United States Telephone Association (USTA) have all assisted the Commission and the industry by their active participation in universal service proceedings.

TABLE 130 - DISCONNECTION NOTICE - LOCAL EXCHANGE TELEPHONE COMPANIES

AGENCY	NOTICE GIVEN TO RESIDENTIAL CUSTOMER OF INTENT TO DISCONNECT	SPECIAL DISCONNECTION ARRANGEMENTS FOR SPECIAL CLASSES OF CUSTOMERS			
		Low-Income	Medical Emergency	Elderly	Other
ALABAMA PSC	Minimum 5 days written	Disconnection postponed when life or health threatened			
ALASKA PUC	Written	None	None	None	None
ARIZONA CC	5 days written notice	None	None	None	None
ARKANSAS PSC	Shut-off notice, 5 days written	None	Rule 8(c) personal	contact, 3rd party	notice
CALIFORNIA PUC	5-7 days written notice	None	None	None	None
COLORADO PUC	7 days written notice	None	None	None	None
CONNECTICUT	13 days, inform of rights	None	Postponed with Dr.	certificate	3rd party notice
DELAWARE PSC	10 days written notice	None	None	None	None
DC PSC	Written or verbal notice	Any customer may request 3rd party notification			
FLORIDA PSC	5 working days written	None	None	None	None
GEORGIA PSC	5 days written notice	None	Postpone 30 days	None	None
HAWAII PUC	7 days written notice	None	None	None	None
IDAHO PSC	7 days written, 24 hrs verbal	Disconnect notice must inform of customers rights-pmt arrangements, protest to PUC, postpone for medical emergency			
ILLINOIS CC	Written notice, phone call	None	None	None	None
INDIANA URC	5 days written notice	None	None	None	None
IOWA UB	5 days written notice	None	Postponement	None	None
KANSAS SCC	7 days written notice	None	Postponement	None	None
KENTUCKY PSC	10 days written	LEC must notify all customers of assistance programs			
LOUISIANA PSC	5 days written notice	None	None	None	None
MAINE PUC	14 days	None	None	None	None
MARYLAND PSC	5 days notice for non- payment	None	None	None	None
MASSACHUSETTS DPU	15 days written, 2 days verbal	Customer protection notice has info on right to dispute; no disconnect during serious illness/personal emergency; protection for the elderly. Customer records are noted with special needs			
MICHIGAN PSC	10 days	None	None	None	None
MINNESOTA PUC	5 days notice	None	None	None	None
MISSISSIPPI	5 days notice	None	None	None	None
MISSOURI PSC	5 days written, 24 hrs verbal	None	Postponed 21 D	None	None
MONTANA PSC	7 days written, 24 hrs verbal	Any customer may request 3rd party notice			
NEBRASKA PSC	written notice	None	None	None	None
NEVADA PSC	Minimum 5 days written	None	Postponed w/Dr. certificate (max 60 D)	None	None
NEW HAMPSHIRE PUC	Minimum 12 days notice	None	Postponed 30 days w/Dr. certificate	None	None
NEW JERSEY BPU	Written-3 LECs, & verbal-2	2 LECs-none; 1 LEC allows 3rd party notification			
NEW MEXICO SCC	7 days	None	None	None	None
NEW YORK PSC	8 days - outgoing calls; 20 days - incoming & outgoing	Deferred pmt plan available	Postponed w/30- day renewable Dr.'s	Postponed w/20- Certificate	3rd party notice
NORTH CAROLINA	5 days written	None	None	None	None
NORTH DAKOTA	Written	None	None	None	None
OHIO PUC	Minimum 7 days	Any customer may request 3rd party notification			
OKLAHOMA CC	5 days written, unless tampering found or threat to life/property	None	None	None	None
OREGON PUC	5 days written	w/medical certif.			
PENNSYLVANIA PUC	7 days for suspension 10 days for termination	None	w/medical certif.	None	None
RHODE ISLAND	15 days written, phone call reminder	No disconnect in emergency/illness			
SOUTH CAROLINA	5 days written	None	None	None	None
SOUTH DAKOTA PUC	15 days; explanation of reason	None	None	None	None
TENNESSEE PSC	Written notification	None	3rd Party notice	None	None
TEXAS PUC	10 days written	None	None	None	None
UTAH PSC	Written; verbal contact attempt	None	None	None	None
VERMONT PSB	Written, telephone call attempt	None	None	None	None
VIRGINIA SCC					
WASHINGTON UTC	10 days written, 2 call attempts	Any customer may request 3rd party notification			
WEST VIRGINIA PSC	Personal, telephone, or written	Contact Dept of Welfare		Contact near relative	3rd party notice
WISCONSIN PSC	5 days, reasonable call attempt	Any customer may request notification of Dept. of Health and Social Services; deferred payment plans available; utilities are to recognize extenuating circumstances.			
WYOMING PSC	7-30 days, written	3rd party notice	medical certif.	3rd party notice	3rd party notice
CRTC	Min. 24 hrs written or verbal	None	None	None	None
ONTARIO TSC					
QUEBEC TB	10 days written	None	None	None	None
VIRGIN ISLANDS	Written, telephone attempt	None	None	None	None

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments was served this 27th day of September, 1995, by mailing a copy thereof by United States Mail, first class postage paid, or by hand delivery, to the persons listed below.

By   
Jennifer H. Keuch

The following parties were served:

William F. Caton\*  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554  
(Original and Four Copies)

Ernestine Creech\*  
Accounting & Audits Division  
Common Carrier Bureau  
2000 L Street, N.W., Room 812  
Washington, D.C. 20554

International Transcription Service (ITS)\*  
2100 M Street, N.W., Suite 140  
Washington, D.C. 20037

\*Hand Delivered